

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Mail Processing Network
Rationalization Service Changes, 2012

Docket No. N2012-1

RESPONSES OF COMMISSION-SPONSORED WITNESS MATZ
TO UNITED STATES POSTAL SERVICE INTERROGATORIES
(USPS/PRCWIT-T2-1 THROUGH -6)
(June 4, 2012)

Attached are the responses of witness Harold Matz (PRCWIT-T-2) to the Interrogatories of the United States Postal Service (USPS/PR-T2-1 through -6) filed May 21, 2012. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

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RESPONSES OF WITNESS MATZ TO INTERROGATORIES OF THE
UNITED STATES POSTAL SERVICE

USPS/PRCWIT-T2—1

At page ii, lines 6-8, your testimony refers to your involvement in AMP studies. Please identify each AMP study that you participated in, including the date of each study, and your role in each study.

Response

I was directly involved with the following AMP studies:

- AMP Olympia P&DF Originating to Tacoma P&DC 10/21/2005
- AMP Yakima MPO Originating to Pasco P&DC 11/07/2005

My role in these studies was as follows:

- I directed the completion of both studies.
- I verified the accuracy of both studies.
- I met with the APWU and NPMHU organizations to answer their specific questions.
- I conducted town hall meetings.
- I met with congressional aides, mailers and, specific to the Olympia AMP, State of Washington officials

RESPONSES OF WITNESS MATZ TO INTERROGATORIES OF THE
UNITED STATES POSTAL SERVICE

USPS/PRCWIT-T2—2

Please indicate whether any of the AMP studies identified in your response to interrogatory USPS/PRCWIT-T2-1 were conducted in connection with a change in service standards, and if so, exactly what those service standard changes were and how they were evaluated in that study.

Response

None were conducted in connection with a change in service standards.

RESPONSES OF WITNESS MATZ TO INTERROGATORIES OF THE
UNITED STATES POSTAL SERVICE

USPS/PRCWIT-T2—3

At page 31, lines 11-12, your testimony states that “[m]aintenance skilled employees, for the most part, currently work an 8-hour shift on Tour 2.” Please explain your understanding of how many skilled maintenance employees are assigned to or actually work among Tours 1, 2, and 3.

Response

My testimony at page 31, lines 11-12, should have read “preventative maintenance skilled employees”. My experience is that you have both preventative and reactive maintenance skilled employees on all 3 tours. Due to the nature of mail flow in general, the best opportunity to conduct thorough preventative maintenance occurs on Tour 2. For example, the DBCSs have completed operations on Tour 1 and have been swept of all mail, facilitating preventive maintenance without having to clear the machines of mail.

Plant operations vary, but in general the split of skilled maintenance employees across the eight plants under my direction had roughly a Tour 1 - 30%, Tour 2 - 40% and Tour 3 - 30% proportion. Tours 1 and 3 had a heavy concentration of reactive maintenance skilled employees, and Tour 2 had a heavy concentration of preventative maintenance skilled employees with few reactive employees.

RESPONSES OF WITNESS MATZ TO INTERROGATORIES OF THE
UNITED STATES POSTAL SERVICE

USPS/PRCWIT-T2—4

At page 32, lines 15-20, your testimony addresses the age of Postal Service mail processing equipment and presents an opinion regarding the impact on this equipment resulting from adoption of the changes proposed in PRC Docket No. N2012-1. Please explain your understanding, if any, regarding the specific types and sub-types of Postal Service mail processing equipment that would continue to be used in operations after adoption of the changes proposed in PRC Docket No. N2012-1, as compared to the equipment that would no longer be used in mail processing operations.

Response

My understanding is that there are six (6) phases, or sub-types, of DBCS machines. Of these, Phase 1 and Phase 2 DBCSs will be eliminated as the DBCS fleet is reduced in size. Witness Bratta confirmed this in his oral testimony (pages 957-958). My understanding is that all other types of equipment will continue to be used as identified in this docket.

RESPONSES OF WITNESS MATZ TO INTERROGATORIES OF THE
UNITED STATES POSTAL SERVICE

USPS/PRCWIT-T2—5

At page 32, lines 21-22, your testimony states that “[s]alvaging the spare parts from excess machines is both expensive and time consuming.” Please quantify the expense you understand is associated with “salvaging the spare parts from excess machines” while identifying those sources upon which you rely for both the estimate and your original statement.

Response

I do not have any quantitative data available. I have experience as a BMC and Senior Plant Manager in making decisions on whether scrapping and/or salvaging parts from all types of mail processing equipment is cost effective. This experience has shown me that salvaging spare parts is time consuming and expensive due to the labor cost of skilled maintenance employees. At times this function was performed at an overtime rate. The level to which it is time consuming and expensive depends on a number of factors, such as the scope of salvage, the time involved in removing and preparing salvaged parts, and the wage rate of the employees or contractors doing the salvage.

RESPONSES OF WITNESS MATZ TO INTERROGATORIES OF THE
UNITED STATES POSTAL SERVICE

USPS/PRCWIT-T2—6

At page 32, lines 21-22, your testimony states that “[s]alvaging the spare parts from excess machines is both expensive and time consuming.” Please quantify the time you understand is associated with “salvaging the spare parts from excess machines” while identifying those sources upon which you rely for both the estimate and your original statement.

Response

Please see response to question **USPS/PRCWIT-T2-5** above, as both questions are identical.